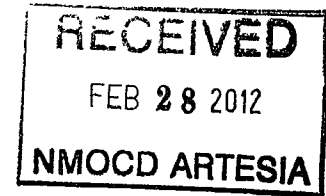




February 24, 2012

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210



AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN
911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Subject: **Soil Assessment and Remediation Work Plan**
Devon Energy Corporation
Cactus State No. 3
API # 30-015-27979

Dear Mr. Bratcher,

Devon Energy Corporation has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Cactus State No. 3 release. The results of our soil assessment and proposed remediation activities consist of the following:

Incident Date

February 6, 2012

Background Information

The Cactus State No. 3 is located approximately thirty-one (31) miles southeast of Artesia, New Mexico. The legal location for the site is Section 16, Township 21 South and Range 26 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.48178 North and - 104.29588 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Upton gravelly loam with a 0 to 9 percent slopes. The local surface and shallow geology, Paleozoic Age sedimentary deposits, is comprised of the Guadeloupian Artesia Group, Tansil and Yates formations which includes gravelly loam soils underlain by residuum weathered limestone, petrocalcic soils and hard caliche. The New Mexico State Engineer web site indicates the nearest ground water data to be in S9-T21S-R26E. The ground water in Section 9 is reported to be a depth of 165' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Incident Description

On February 6, 2012 a steel flow line was found to be leaking due to corrosion causing a release of 17 barrels of oil. No fluids from this release were recovered. The flow line was isolated, drained of all fluids, replaced and returned to service. The spill area measures approximately 122-feet long by 22-33 feet wide.

Actions Taken

On February 15, 2012 Talon/LPE mobilized personnel to begin the site assessment and soil sampling for the construction of a work plan. Grab soil samples were collected utilizing a backhoe. The soil sample S-1 was collected from within the impacted area of the steel flow line release to a depth of 6-feet.

Soils samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided glassware, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for volatile organics pursuant to EPA Method 8021B; Total Petroleum Hydrocarbons (TPH) per EPA Method 8015M; and Total Chlorides via Method SM4500Cl-B. The complete laboratory report is attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

February 21, 2012

<u>Sample</u>	<u>Depth</u>	<u>Chlorides</u>	<u>BTEX</u>	<u>TPH</u>
S-1	0'	6,000	30.499	39,390 mg/kg
	2'	944	72.272	63,900
	4'	1,550	<0.150	27.8
	6'	512	3.765	778.5

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 5,000 mg/kg. The chloride remediation standard is considered to be 1,000 mg/kg.

Summary and Conclusions

- Ground water in the project vicinity is 165-feet below land surface per the New Mexico State Engineer Database.
- Based upon the results of the laboratory data obtained for this investigation, the vertical impacts of the chloride release have been documented to be 512 mg/kg at 6-feet below ground surface within the impacted area of the flow line release. The vertical impacts of the hydrocarbon release have been documented to extend at least 2-feet below ground surface in the impacted area.

- Based on the depth to groundwater, it is unlikely that the impacts identified from this release will pose a threat to groundwater after proposed remediation activities are complete.

Proposed Remedial Actions

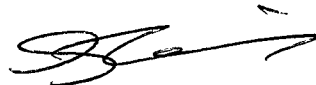
- The impacted soil from this release will be excavated. The excavated soil will be transported to a NMOCD approved solid waste disposal facility.
- Confirmation soil samples will be collected from the excavated areas. The soil samples will be submitted to laboratory for TPH analysis using Method 8015M, BTEX analysis using Method 8021B and chlorides using method SM4500Cl-B.
- Upon NMOCD approval of the confirmation samples, the excavated area will be backfilled to grade using new material transported from a local borrow pit, contoured to match existing terrain.
- A final closure report documenting all remedial actions and analytical results will be provided to the NMOCD Artesia Office along with a C-141 Form.

Should you have any questions or if further information is required, please do not hesitate to contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE

Mike Stubblefield
Project Manager



David J. Adkins
District Manager

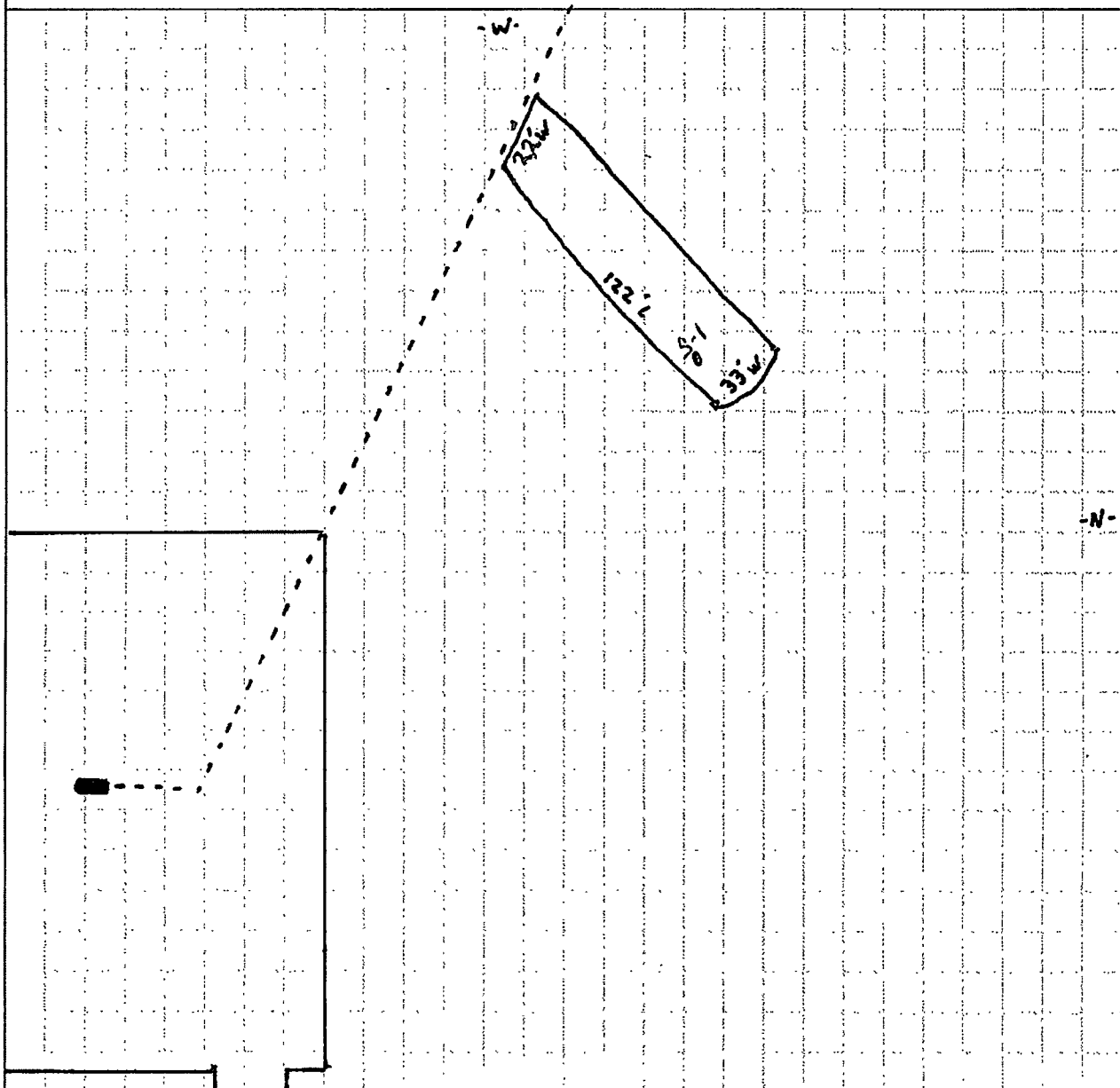
SITE MAP



AMARILLO • AUSTIN • MIDLAND • SAN ANTONIO • ARTESIA, NM • HOBBS, NM • TULSA, OK

Project Correspondence Sheet

☐ Field ☐ Office ☐ Reimbursement ☐ Proposal
☐ OK ☐ NM ☐ TX ☐ Other

Date: 2/13/2012	Time:	Project Manager: M. Stubbelfield
Project Number: 700794.027.01		
Project Name: 30-015-27979 Devon Energy Corp. CACTUS STATE No. 3 release.		
Topic:		
Notes:		
		
Document must be filed in Project File	Prepared by: M.C.S.	Page 1 of 1

APPENDIX I
GROUNDWATER DATA
INITIAL C-141



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD	Code	Subbasin	County	64	16	4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
C 03069	C		ED		3	4	2	09	21S	26E	566452	3595583*	1208	250	165	85
C 02615	C		ED		2	3	10	21S	26E		567367	3595290*	1289	404	115	289
C 02562	C		ED		4	2	3	15	21S	26E	567485	3593575*	1301	160	65	95
C 01543	C		ED		4	4	1	09	21S	26E	565837	3595576*	1352	225	150	75
C 01821	C		ED		2	2	17	21S	26E		564938	3594460*	1523	207		
C 01821 POD2	C		ED		2	2	17	21S	26E		564938	3594460*	1523	305	190	115
C 01817	C		ED		4	2	17	21S	26E		564942	3594056*	1550	215	195	20
C 01940	C		ED		4	2	17	21S	26E		564942	3594056*	1550	212	182	30
C 02137	C		ED		4	2	17	21S	26E		564942	3594056*	1550	217	178	39
C 01958	C		ED		4	4	08	21S	26E		564934	3594865*	1601	180	155	25
C 02162	C		ED		4	4	08	21S	26E		564934	3594865*	1601	202	150	52
C 02172	C		ED		4	4	08	21S	26E		564934	3594865*	1601	200	150	50
C 01840	C		ED		1	4	2	17	21S	26E	564841	3594155*	1632	360	201	159
C 01726	C		ED		2	17	21S	26E			564739	3594255*	1724	211	180	31
C 00524	C		ED		1	4	4	08	21S	26E	564833	3594964*	1729	175		
C 02427	C		ED		2	2	4	08	21S	26E	565031	3595367*	1738	250	200	50
C 02427 POD2	C		ED		2	2	4	08	21S	26E	565031	3595367*	1738	252	225	27
C 02427 POD3	C		ED		2	2	4	08	21S	26E	565031	3595367*	1738	200	160	40
C 02577	C		ED		3	2	4	08	21S	26E	564831	3595167*	1810	196	160	36
C 03408 POD1	C		ED		4	3	4	08	21S	26E	564684	3594765	1817	253	242	11
C 01529	C		ED		2	4	2	21	21S	26E	566689	3592556*	1833	130	70	60
C 01643	C		ED		2	3	2	17	21S	26E	564637	3594153*	1835	330	310	20
C 01734	C		ED		2	3	2	17	21S	26E	564637	3594153*	1835	216	182	34
C 01937	C		ED		4	08	21S	26E			564732	3595063*	1858	256	190	66
C 02046	C		ED		4	08	21S	26E			564732	3595063*	1858	220	160	60
C 02157	C		ED		4	08	21S	26E			564732	3595063*	1858	218	150	68
C 02237	C		ED		4	08	21S	26E			564732	3595063*	1858	232		

*UTM location was derived from PLSS - see Help

APPENDIX II
LABORATORY RESULTS



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

February 21, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: CACTUS STATE NO. 3 RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 02/16/12 14:29.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 02/16/2012
Reported: 02/21/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 02/15/2012
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S-1 0' (H200421-01)

BTEX 8021B		mg/kg		Analyzed By: AP				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	0.124	0.050	02/20/2012	ND	2.06	103	2.00	2.30	
Toluene*	2.03	0.050	02/20/2012	ND	2.25	113	2.00	2.27	
Ethylbenzene*	3.45	0.050	02/20/2012	ND	2.33	116	2.00	0.990	
Total Xylenes*	28.0	0.150	02/20/2012	ND	7.34	122	6.00	0.988	

Surrogate: 4-Bromofluorobenzene (PIL) 306 % 64.4-134

Chloride, SM4500Cl-B			mg/kg					Analyzed By: AP	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6000	16.0	02/20/2012	ND	416	104	400	3.92	

TPH 8015M			mg/kg					Analyzed By: MS	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	1790	100	02/17/2012	ND	179	89.4	200	5.95	
DRO >C10-C28	37600	100	02/17/2012	ND	176	88.2	200	7.64	

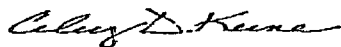
Surrogate: 1-Chlorooctane 110 % 55.5-154

Surrogate: 1-Chlorooctadecane 103 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 02/16/2012
Reported: 02/21/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 02/15/2012
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S-1 2' (H200421-02)

BTX 8021B		mg/kg		Analyzed By: AP				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	0.722	0.500	02/20/2012	ND	2.06	103	2.00	2.30	
Toluene*	7.85	0.500	02/20/2012	ND	2.25	113	2.00	2.27	
Ethylbenzene*	16.4	0.500	02/20/2012	ND	2.33	116	2.00	0.990	
Total Xylenes*	47.3	1.50	02/20/2012	ND	7.34	122	6.00	0.988	

Surrogate: 4-Bromofluorobenzene (PIL) 222 % 64.4-134

Chloride, SM4500Cl-β		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	944	16.0	02/20/2012	ND	416	104	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	28400	200	02/17/2012	ND	179	89.4	200	5.95	
DRO >C10-C28	35500	200	02/17/2012	ND	176	88.2	200	7.64	

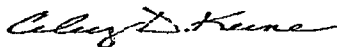
Surrogate: 1-Chlorooctane 349 % 55.5-154

Surrogate: 1-Chlorooctadecane 125 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/16/2012
 Reported: 02/21/2012
 Project Name: CACTUS STATE NO. 3 RELEASE
 Project Number: 700794.022.01
 Project Location: SEC.16.T21S.R26E

 Sampling Date: 02/15/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S-1 4' (H200421-03)

BTX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/20/2012	ND	2.06	103	2.00	2.30	
Toluene*	<0.050	0.050	02/20/2012	ND	2.25	113	2.00	2.27	
Ethylbenzene*	<0.050	0.050	02/20/2012	ND	2.33	116	2.00	0.990	
Total Xylenes*	<0.150	0.150	02/20/2012	ND	7.34	122	6.00	0.988	

Surrogate: 4-Bromofluorobenzene (PIL) 124 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1550	16.0	02/20/2012	ND	416	104	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/17/2012	ND	179	89.4	200	5.95	
DRO >C10-C28	27.8	10.0	02/17/2012	ND	176	88.2	200	7.64	

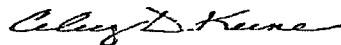
Surrogate: 1-Chlorooctane 92.0 % 55.5-154

Surrogate: 1-Chlorooctadecane 104 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	02/16/2012	Sampling Date:	02/15/2012
Reported:	02/21/2012	Sampling Type:	Soil
Project Name:	CACTUS STATE NO. 3 RELEASE	Sampling Condition:	Cool & Intact
Project Number:	700794.022.01	Sample Received By:	Jodi Henson
Project Location:	SEC.16.T21S.R26E		

Sample ID: S-1 6' (H200421-04)

BTEX 8021B			mg/kg					Analyzed By: AP		S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
Benzene*	<0.050	0.050	02/21/2012	ND	1.90	95.1	2.00	0.609			
Toluene*	0.175	0.050	02/21/2012	ND	2.11	105	2.00	1.06			
Ethylbenzene*	1.07	0.050	02/21/2012	ND	2.17	108	2.00	2.01			
Total Xylenes*	2.52	0.150	02/21/2012	ND	6.97	116	6.00	3.34			

Surrogate: 4-Bromofluorobenzene (PIL) 240 % 64.4-134

Chloride, SM4500Cl-B			mg/kg					Analyzed By: AP			
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
Chloride	512	16.0	02/20/2012	ND	416	104	400	3.92			

TPH 8015M			mg/kg					Analyzed By: MS			
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
GRO C6-C10	89.5	10.0	02/17/2012	ND	179	89.4	200	5.95			
DRO >C10-C28	689	10.0	02/17/2012	ND	176	88.2	200	7.64			

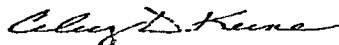
Surrogate: 1-Chlorooctane 92.4 % 55.5-154

Surrogate: 1-Chlorooctadecane 83.2 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

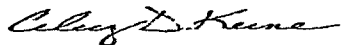
Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]